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INFORMATIONAL NOTICE

DATE: November 28, 2006**TO:** Participating Hospitals – Chief Executive Officers, Chief Financial Officers, Patient Accounts Managers, and Utilization Review Departments**RE:** Inpatient Utilization Review Update

This informational notice provides an update of changes to the diagnosis codes subject to inpatient utilization review, and identifies changes to utilization review activities. Attachments referenced in this notice can be downloaded from the department's Web site at:

<http://www.hfs.illinois.gov/proqio/>

Review Activity

HealthSystems of Illinois (HSI) performs Concurrent Review (Certification of Admission and Continued Stay) and Retrospective Prepayment Review of inpatient hospitalizations. In addition, HSI performs Retrospective Postpayment Review on specific categories randomly selected on a quarterly basis.

Hospitals will be notified in writing of changes to the codes on Attachments A-D at least thirty (30) days in advance of the review activity beginning. However, HFS will not send a notice to hospitals when the ICD-9-CM coding guidelines mandate a coding change requiring a 4th or 5th digit code extension on codes currently subject to review. These code extensions will automatically be subject to review.

Changes in Diagnosis Codes

- Effective with admissions on or after **March 1, 2007**, diagnosis codes 038.0, 038.10, 038.11, 038.19, 038.40, 038.43, 491.20, 571.3, 707.11, 707.12 and 707.14 will be eliminated from Attachment C. Over a two-year period there have been minimal denials associated with these diagnosis codes.
- New diagnosis codes have been added to Attachment C. These codes are identified with a **March 1, 2007**, effective date following the code description.

There are no changes at this time to Attachments A, B, and D.

Change to Offsite Reviews

Effective **March 1, 2007**, HSI, as directed by the department, will only be conducting **offsite** reviews for all diagnosis codes subject to review. For those claims that suspend for retrospective review with a code subject to review, such as those DRG codes on Attachment D, hospitals will be required to submit the medical record to HSI for review. Additionally, the hospital will be required to submit the medical record for inpatient stays selected for postpayment review. HSI will continue to provide the hospitals' Medicaid liaisons with the list of records that will be subject to review. For diagnosis codes on Attachments A, B, or C that are subject to Concurrent Review, hospitals may either submit a request via HSI's Web site at www.hsofi.org or call HSI's toll-free certification line at 800-418-4033.

Upcoming Change to Mandatory Concurrent Review

HFS is providing hospitals with advance notice that with admissions on or after **March 1, 2007**, HSI will be directed to implement mandatory Concurrent Review (Certification of Admission and Continued Stay Review) for all diagnosis codes on Attachments A, B and C. **All Illinois hospitals and out-of-state hospitals in counties contiguous to Illinois must participate in Concurrent Review for all diagnoses subject to review.** Claims will be rejected if the mandatory concurrent review process is not followed. Additional information will be forthcoming.

Reminder Regarding Short Stays or Weekend Stays

In December 2005, HSI notified hospitals that they may request an admission/concurrent review for stays of three (3) or fewer days after discharge has occurred only if the requests are

- Submitted via HSI's Web-based review system, and
- Submitted within seven (7) days of discharge.

If the hospital stay is greater than three (3) days, the hospital should request a review from HSI via Web or telephone prior to the participant's discharge.

Provider Education

HFS and HSI will make every effort to support hospitals as they prepare to implement mandatory Concurrent Review. During the upcoming months, HSI will be offering educational services to hospitals as appropriate. In addition, hospitals may contact HSI's toll-free Helpline at 800-418-4045 for assistance.

Providers wishing to receive e-mail notification, when new provider information has been posted by the department, may register at the following HFS Web site:

<http://www.hfs.illinois.gov/provrel>

Electronic claim submission via the Internet is available by registering on the department's Medical Electronic Data Interchange, Internet Electronic Claims (MEDI/IEC) System at: <http://www.myhfs.illinois.gov/>. The MEDI/IEC System is available to enrolled providers and their authorized staff, claim submitting agents and payees. During the registration process, you will be given access to specific claim formats based upon your enrollment status with the department.

Any questions regarding this notice may be directed to the Bureau of Healthcare Quality Improvement at 217-557-1031.

A handwritten signature in dark ink, reading "Anne Marie Murphy" with a stylized flourish at the end.

Anne Marie Murphy, Ph.D.
Illinois Medicaid Director
Division of Medical Programs